

# Hirata

The Global Production Engineering Company

## Quarterly Financial Results for the Nine-month Period Ended December 31, 2020

Hirata Corporation



# I. Financial Results and Outlook

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The nine-month period ended December 31, 2020 (April 1, 2020 - December 31, 2020)

**Hirata**



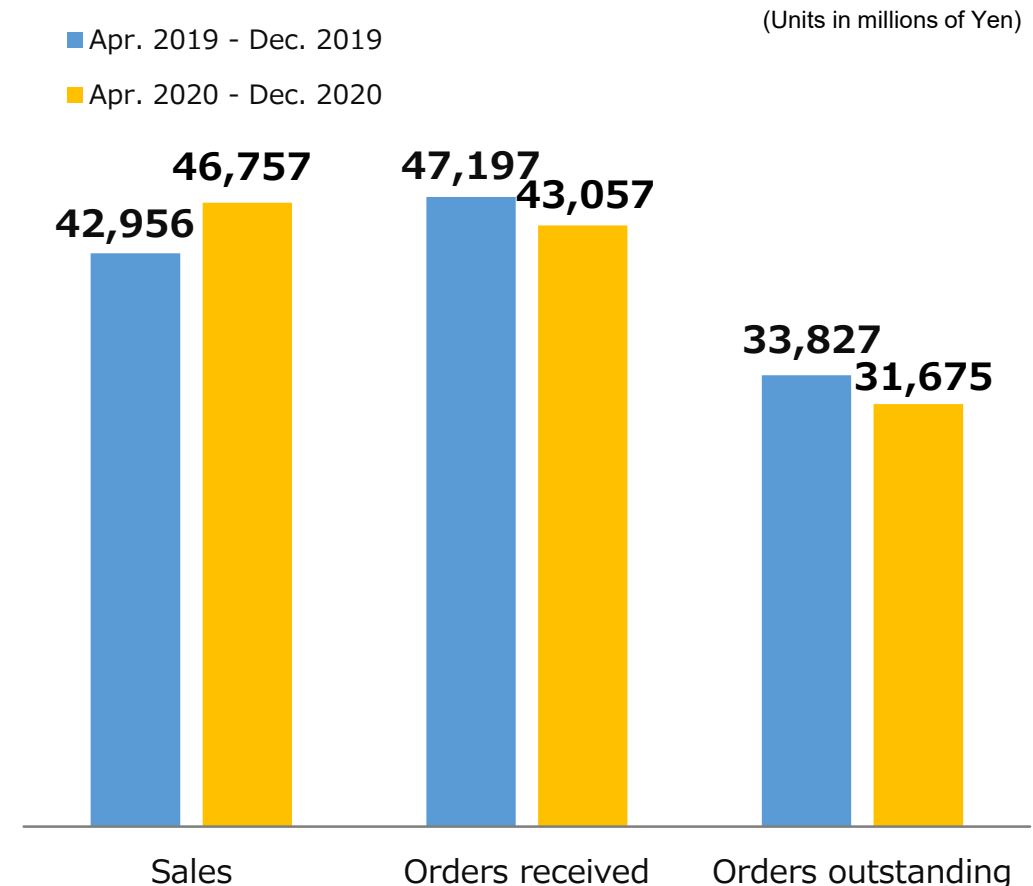
# I. Summary of Financial Results

## Overview

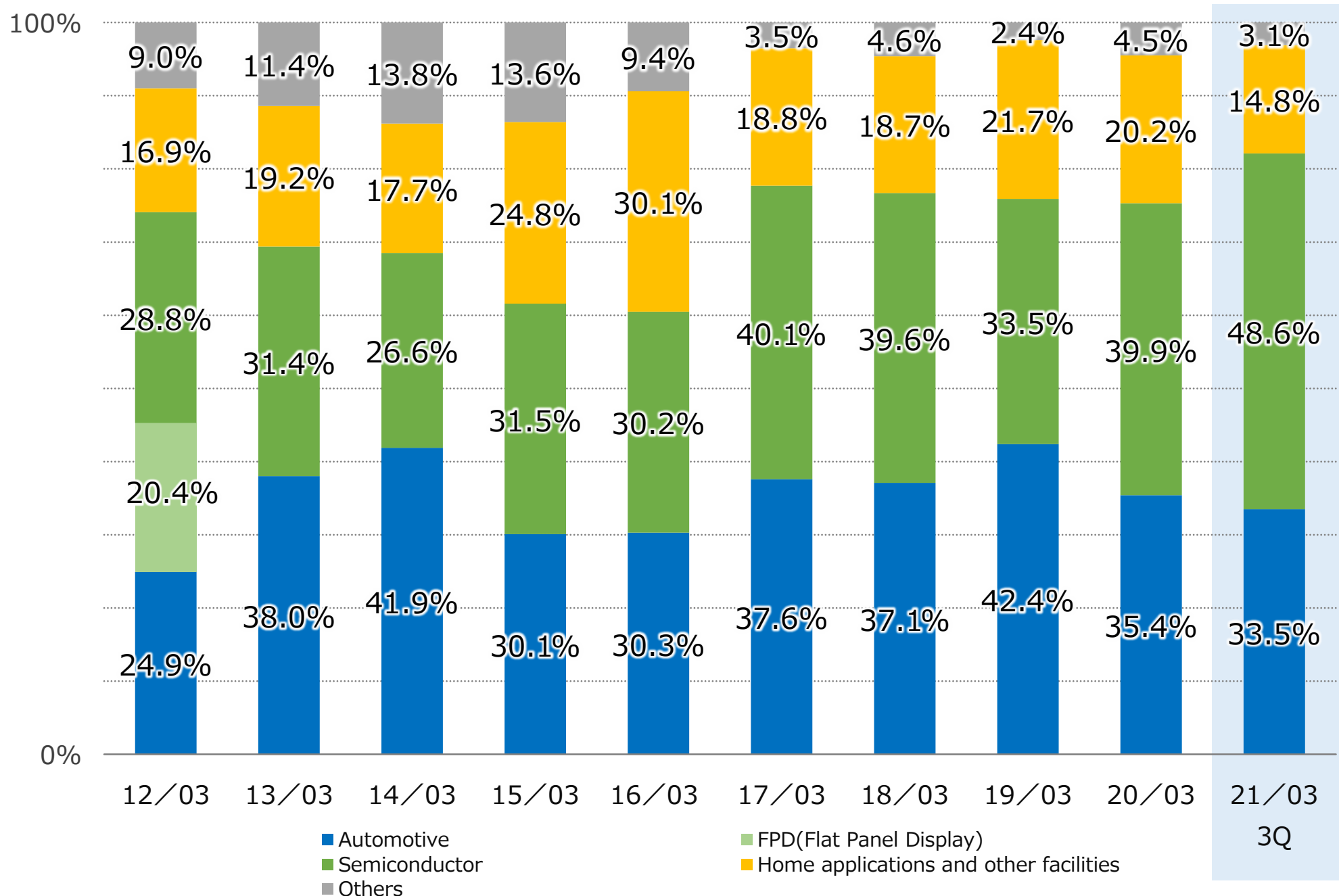
Demand for data centers has increased against the backdrop of the full-scale operation of 5<sup>th</sup> generation mobile communication systems and the expansion of work from home. As a result, semiconductor device manufacturers continue to make capital investments. OLED related business was steady and the sales of next-generation car production equipment such as electric vehicle increased as well. In consequence, the sales and profit increased.

(Units in millions of Yen)

	Apr. 2019 – Dec. 2019 (Actual)	Apr. 2020 – Dec. 2020 (Actual)	YoY Change
Sales	42,956	<b>46,757</b>	+ 8.8%
Operating Income	1,477	<b>3,659</b>	+ 147.7%
Ordinary Income	1,628	<b>3,777</b>	+ 132.0%
Quarterly net income attributable to owners of the parent company	981	<b>2,402</b>	+ 144.6%

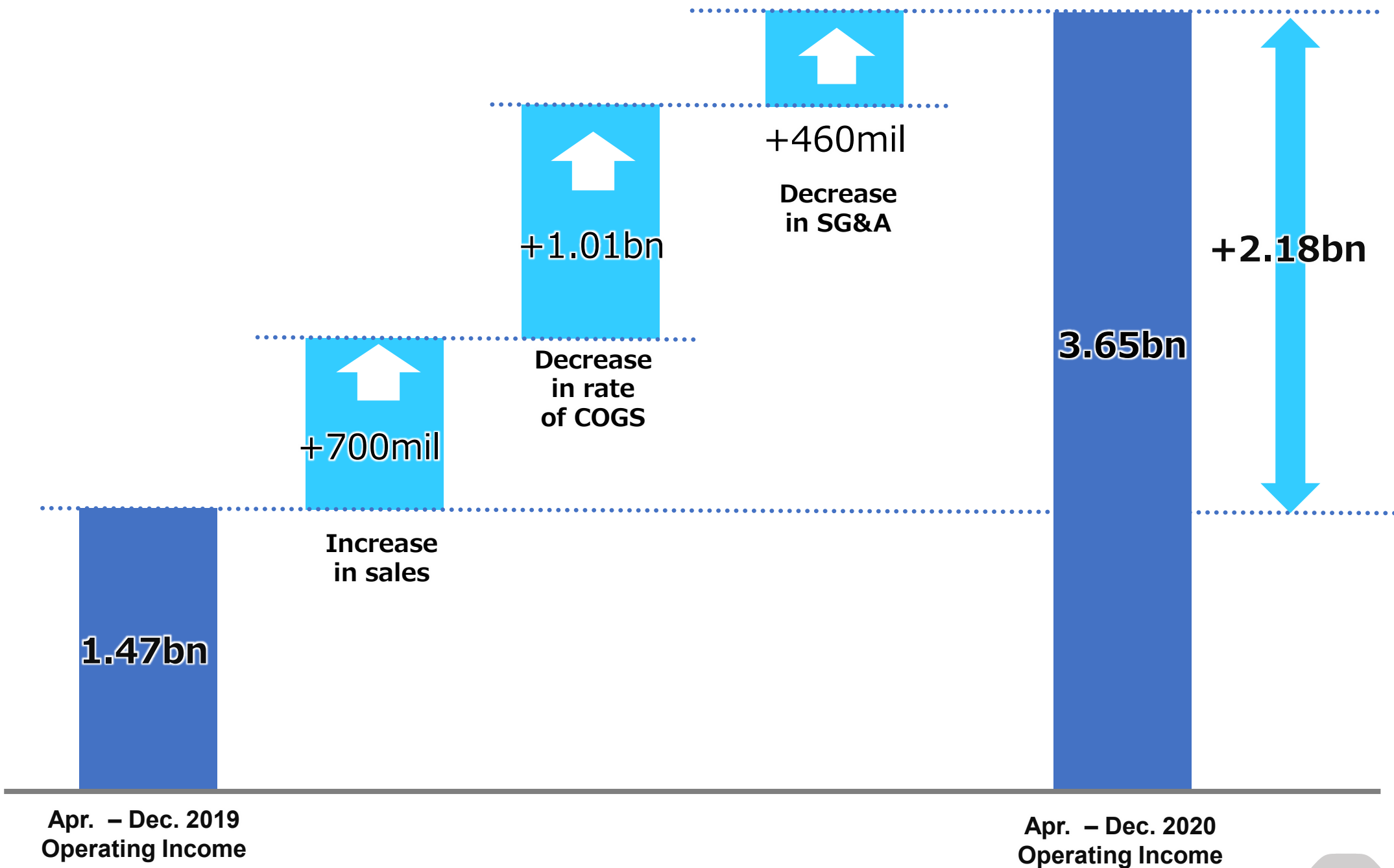


# I. Breakdown of Sales by Business Unit



\*The figure of FPD related business was integrated into semiconductor related business since April 2012.

# I. Factor Analysis on Changing Operating Income



# I. Balance Sheet

## Balance Sheet

(Units in millions of Yen)

Assets	Apr. 2019 - Mar. 2020	Apr. 2020 - Dec. 2020	YoY Change
Current Assets	57,792	<b>62,966</b>	<b>+5,173</b>
Fixed Assets	27,617	<b>29,596</b>	<b>+1,979</b>
Tangible Fixed Assets	21,737	<b>23,658</b>	<b>+1,921</b>
Intangible Fixed Assets	533	<b>459</b>	$\Delta$ 74
Investments and other assets	5,346	<b>5,478</b>	<b>+131</b>
<b>Total Assets</b>	<b>85,409</b>	<b>92,563</b>	<b>+7,153</b>

Liabilities	Apr. 2019 - Mar. 2020	Apr. 2020 - Dec. 2020	YoY Change
Current Liabilities	28,831	<b>26,317</b>	$\Delta$ 2,514
Fixed Liabilities	9,585	<b>17,108</b>	<b>+7,523</b>
<b>Total Liabilities</b>	<b>38,416</b>	<b>43,425</b>	<b>+5,009</b>

Net Assets			
Total Net Assets	46,993	<b>49,137</b>	<b>+2,144</b>
Capital Ratio	54.4%	<b>52.6%</b>	$\Delta$ 1.8Point

### Main impact factors

#### Assets

Buildings and structures	+4,075
Trade receivables	+3,884
Construction in progress	$\Delta$ 2,997

#### Liabilities/Net Assets

Debt with interest	+7,775
Retained earnings	+1,987
Trade payables	$\Delta$ 1,746

# I. Assumed exchange rate, etc.

## Assumed exchange rate

(Units in Yen)

Assumed exchange rate	From Apr. 1, 2020 to Dec. 31, 2020 (Actual rate)	From Jan. 1, 2021 (Applied assumption rate)
Exchange rate (against USD)	106.58	100.00

## Transition of our stock prices

(Units in Yen)

Transition of our stock prices	Apr. 1, 2018 to Mar. 31, 2019	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021		
			October	November	December
High	10,580	8,150	6,840	8,690	8,730
Low	4,285	3,505	6,250	6,450	7,490
End of period	7,640	4,605	6,460	8,340	7,720

## PER/PBR/ROE

PER/PBR/ROE	Apr. 1, 2018 to Mar. 31, 2019	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Dec. 31, 2020
PER (x)	17.33	27.39	— ※
PBR (x)	1.72	1.03	1.65
ROE (%)	10.06	3.77	— ※

Please note that there is no information on PER &amp; ROE due to incomparable numbers on the basis of quarterly profit.

# I. Sales, Orders Received and Outstanding by Business Unit

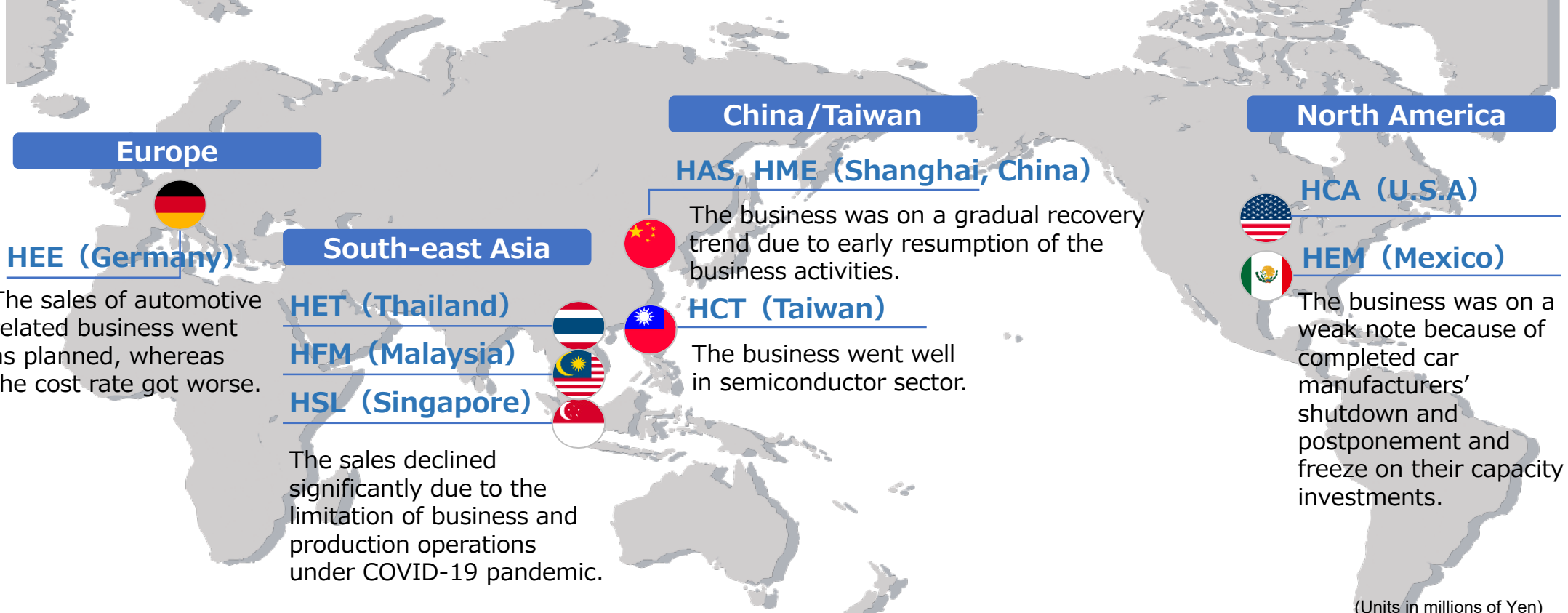
(Units in millions of Yen)

	<b>Business Unit</b>	<b>Apr 2019 - Dec 2019</b>	<b>Apr 2020 - Dec 2020</b>	<b>YoY Change</b>
<b>Sales</b>	Automotive	15,203	15,672	+ 3.1%
	Semiconductor	17,011	22,723	+ 33.6%
	Home appliances & others	8,553	6,937	△18.9%
	Others	2,188	1,423	△34.9%
	<b>TOTAL</b>	<b>42,956</b>	<b>46,757</b>	<b>+ 8.8%</b>
<b>Orders received</b>	Automotive	16,189	18,145	+ 12.1%
	Semiconductor	19,949	17,466	△12.4%
	Home appliances & others	8,823	6,020	△31.8%
	Others	2,235	1,425	△36.2%
	<b>TOTAL</b>	<b>47,197</b>	<b>43,057</b>	<b>△8.8%</b>
<b>Orders outstanding</b>	Automotive	15,737	17,186	+ 9.2%
	Semiconductor	11,038	9,715	△12.0%
	Home appliances & others	6,390	4,332	△32.2%
	Others	660	440	△33.3%
	<b>TOTAL</b>	<b>33,827</b>	<b>31,675</b>	<b>△6.4%</b>



# I. Global Business Overview

## Sales by region



(Units in millions of Yen)

	Japan		Asia		North America		Europe		Total	
	20/3 3Q	<b>21/3 3Q</b>	20/3 3Q	<b>21/3 3Q</b>	20/3 3Q	<b>21/3 3Q</b>	20/3 3Q	<b>21/3 3Q</b>	20/3 3Q	<b>21/3 3Q</b>
Sales	35,096	<b>40,436</b>	4,622	<b>2,596</b>	2,952	<b>2,823</b>	283	<b>900</b>	42,956	<b>46,757</b>
Operating Income	1,530	<b>4,010</b>	716	<b>△105</b>	△576	<b>11</b>	△101	<b>△199</b>	1,567	<b>3,717</b>

Please note that total figure of operating income is before consolidation adjustments between regional segments.

# I. Topics - Business update on Organic EL/EV businesses

## Business update on Organic EL/EV businesses

(Units in millions of Yen)

	Amount of orders received			Sales		
	Apr. – Dec. 2019	Apr. – Dec. 2020	YoY Change	Apr. – Dec. 2019	Apr. – Dec. 2020	YoY Change
Organic EL related business	8,645	<b>4,850</b>	$\Delta$ <b>3,795</b>	6,614	<b>9,973</b>	<b>+ 3,359</b>
Electric vehicle related business	738	<b>6,011</b>	<b>+5,272</b>	1,424	<b>3,466</b>	<b>+ 2,042</b>

- Organic EL related business

The sales of organic EL related business accounted for about 44% of its total semiconductor sales, which was the increase of about 51% on a year-to-year comparison. The incoming orders were decreased by about 44% on a year-to-year comparison.

- Electric vehicle related business

The sales of EV related business accounted for about 22% of its total automotive sales, which was the increase of about 144% on a year-to-year comparison. The incoming orders increased at a great rate on a year-to-year comparison.

# II Forecast for FYE March 2021

The nine-month period ended December 31, 2020 (April 1, 2020 - December 31, 2020)

**Hirata**



## II. Forecasts for FYE March 2021: Earnings Forecast

Hirata announced its revised earnings forecast for the full year on February 9, 2021.

(Units in millions of Yen)

	FY2020/3 (Actual)		FY2021/3 (Forecast) announced on November 12, 2020		FY2021/3 (Forecast) announced on February 9, 2020	
<b>Sales</b>	65,612		67,000		<b>66,000</b>	
Automotive	23,225		26,000		25,000	
Semiconductor	26,166		29,000		29,000	
Home appliances & others	13,240		10,000		10,000	
Others	2,979		2,000		2,000	
Operating Income (margin)	2,736	(4.2%)	2,500	(3.7%)	<b>4,200</b>	<b>(6.4%)</b>
Ordinary Income (margin)	2,861	(4.4%)	2,600	(3.9%)	<b>4,300</b>	<b>(6.5%)</b>
Net income attributable to owners of the parent company	1,744	(2.7%)	1,500	(2.2%)	<b>2,800</b>	<b>(4.2%)</b>

### As to the amendment of the full-year forecast

As to the earnings forecast ending March 2021, the sales of automotive related business would be lower than anticipated due to a change of plan on our scheduled project even though electric vehicle business turned upward. As a result, the total sales turned out to be lower than the figures we announced in November 2020.

Regarding the profits, on the other hand, we revised up the operating income, ordinary income, and net income attributable to owners of the parent company because the profits would be boosted by the company-wide effort of reducing the cost rate and SG&A expenses.

## II. Forecasts for FYE March 2021: Business Environment

### Automotive related business

We foresee that both automotive and parts manufacturers maintain a cautious stance on their business investment even though it is reported that people become more interested in driving their own cars rather than using public transportations under the spread of the COVID-19 situation. We are not sure when our ordering situation would be back to normal, but we put all our energy into receiving orders of business inquiries such as EV related business.

### Semiconductor related business

The full-scale service of 5G, and work from home and online lesson are expanding globally. This situation put upward pressure on investment for CPU of data center and automated driving related parts for semiconductor equipment investment. We work harder to receive orders continuously on its semiconductor business and focus on receiving orders of organic EL related business which has been very firm.

### Home appliances and other business

We expect that companies tend to shrink their capital investment and the unclear situation continues caused by the limitation of their production activities under lockdown by local government in Asia due to the spread of the COVID-19. We try harder to receive large orders for home appliances business.

## II. Forecasts for FYE March 2021: Dividend Forecast

### Dividends and dividend ratio per share

(Unit in Yen)

	FYE Mar 2017	FYE Mar 2018	FYE Mar 2019	FYE Mar 2020	FYE Mar 2021 (Estimate)	
					Announcement on Nov.12, 2020	Announcement on Feb.9, 2021
Dividends per share	100.00	125.00 <small>including memorial dividend 25.00yen</small>	125.00	40.00	30.00	<b>65.00</b>
Dividend ratio(%)	16.0	19.5	28.4	23.8	20.8	<b>24.1</b>

Note: Dividend ratio is on a consolidated basis.

### About dividend forecast

We fully consider profit return to our shareholders as a highest priority issue. So, we endeavor to pay dividend stably and continually to be more than 20% of the consolidated dividend ratio as a guide by strengthening our financial characteristic and also taking into consideration our consolidated performance and business deployment.

As to the next dividend, Hirata revised it up to 65.00 yen on the basis of the dividend policy, taking the profit level of the sales estimate and the dividend ratio of the previous year into consideration.

# Ⅲ. Reference Data

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The nine-month period ended December 31, 2020 (April 1, 2020 - December 31, 2020)

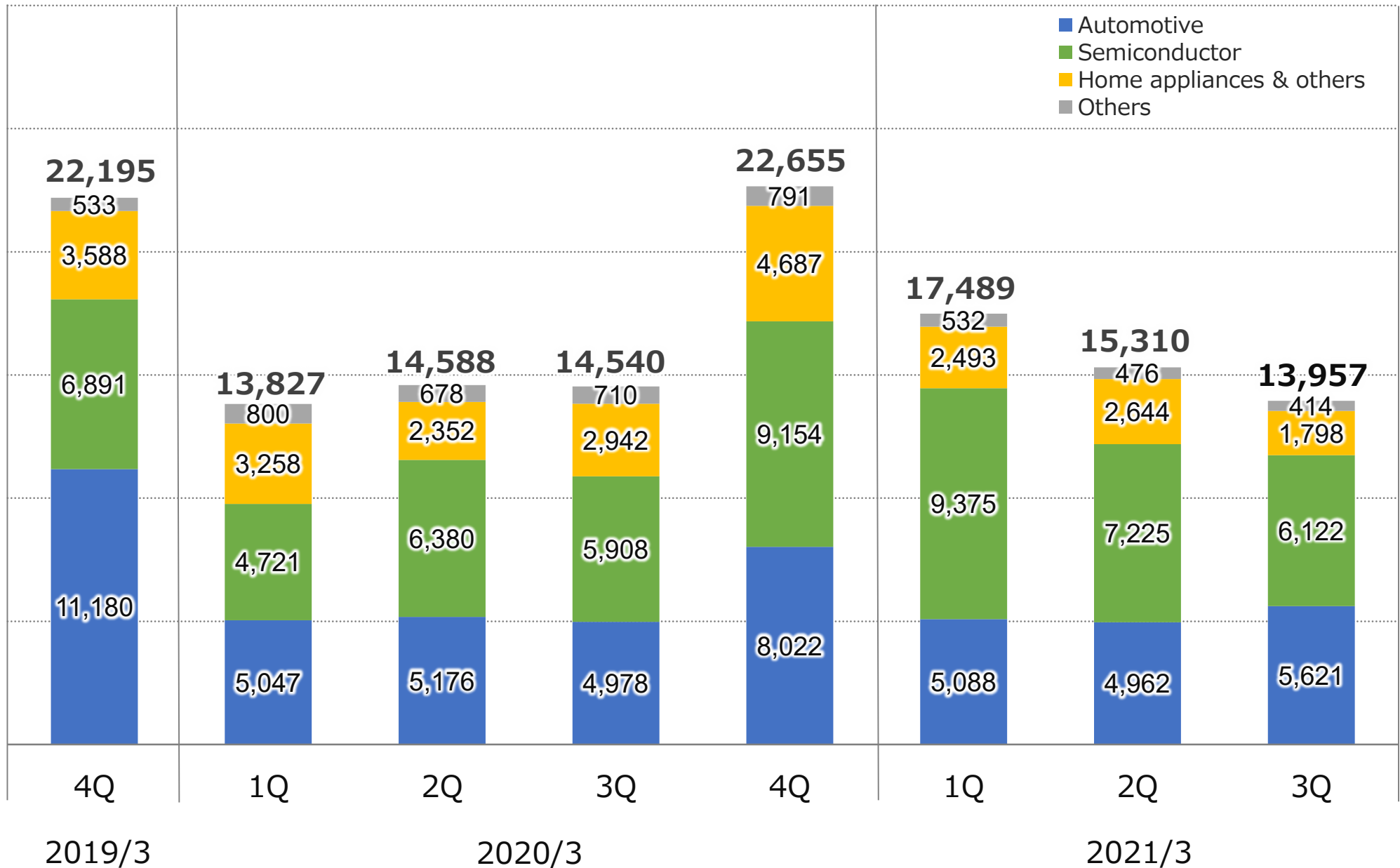
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### III. Quarterly Trends of Sales by Business Unit

#### Sales by Business Unit

(Units in millions of Yen)

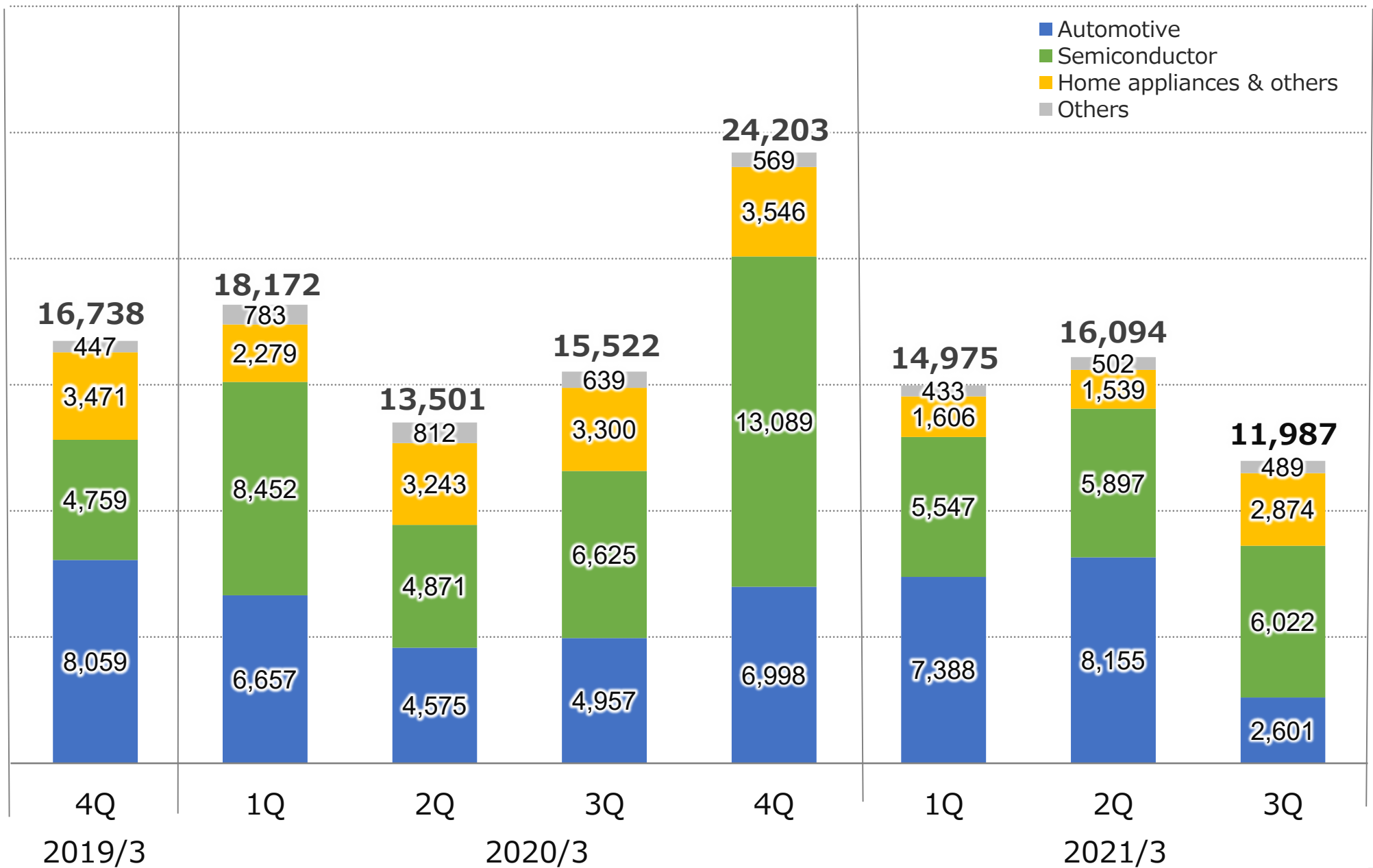




### III. Quarterly Trends of Received Orders by Business Unit

#### Received Orders by Business Unit

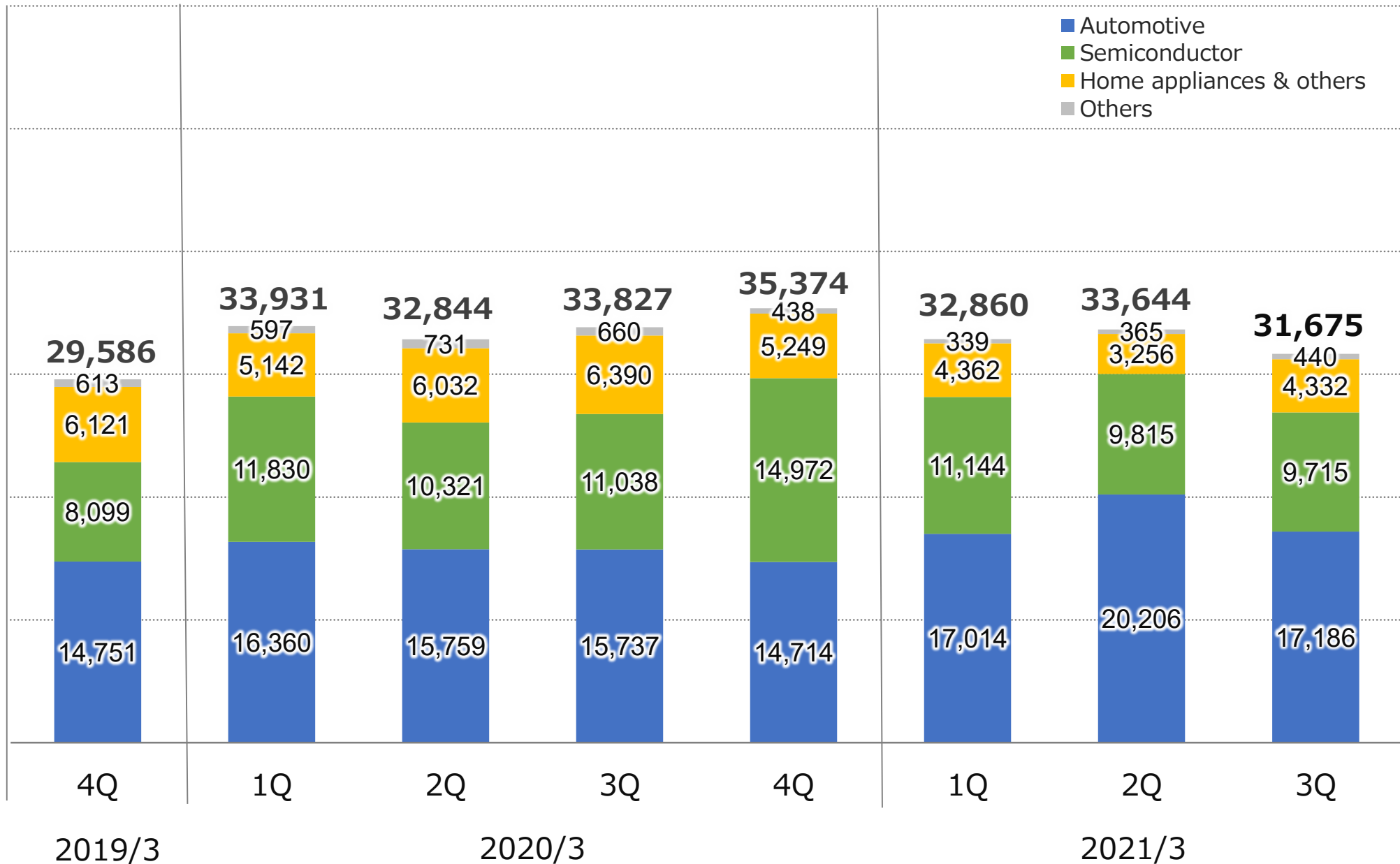
(Units in millions of Yen)



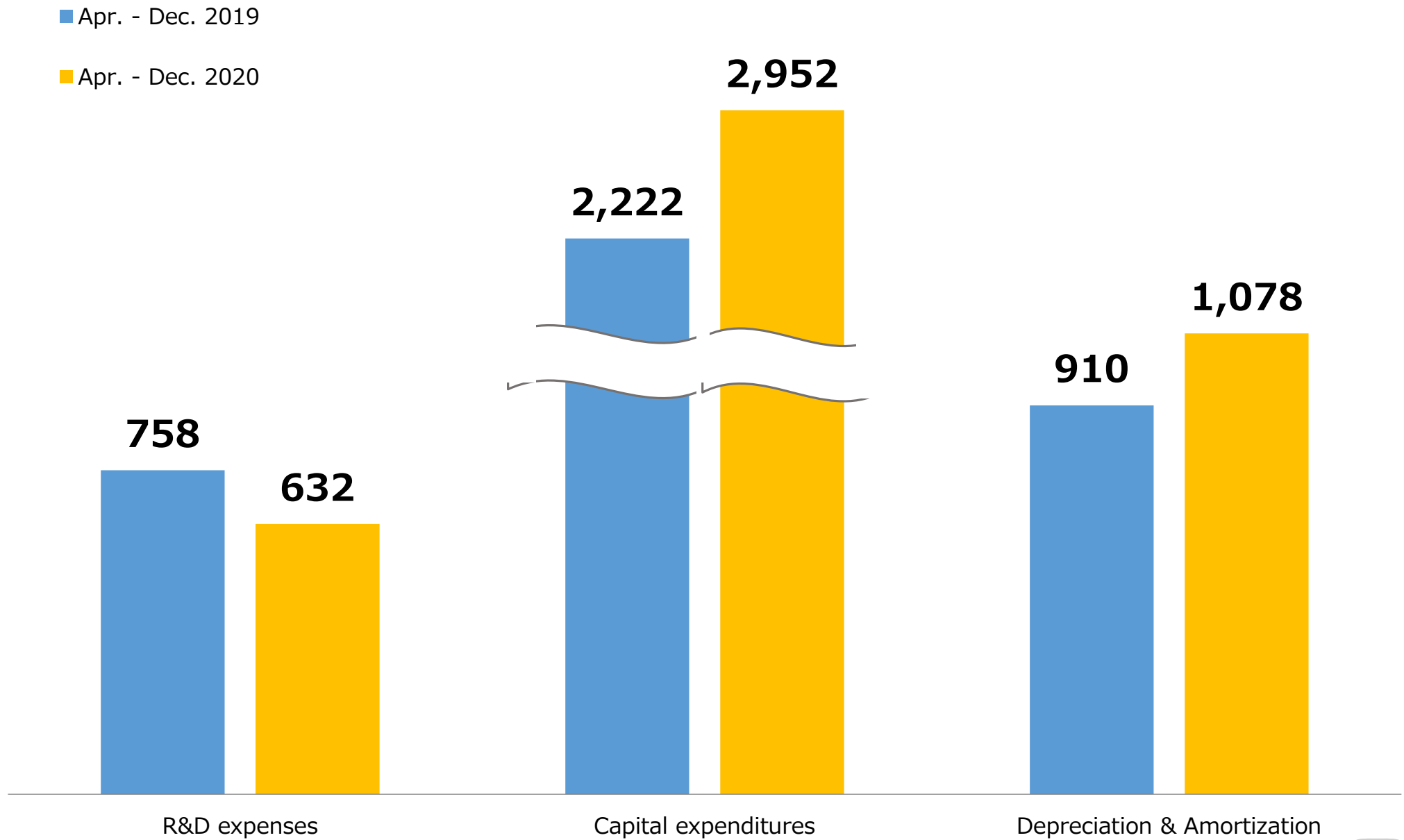
### III. Quarterly Trends of Orders Outstanding by Business Unit

#### Outstanding Orders by Business Unit

(Units in millions of Yen)

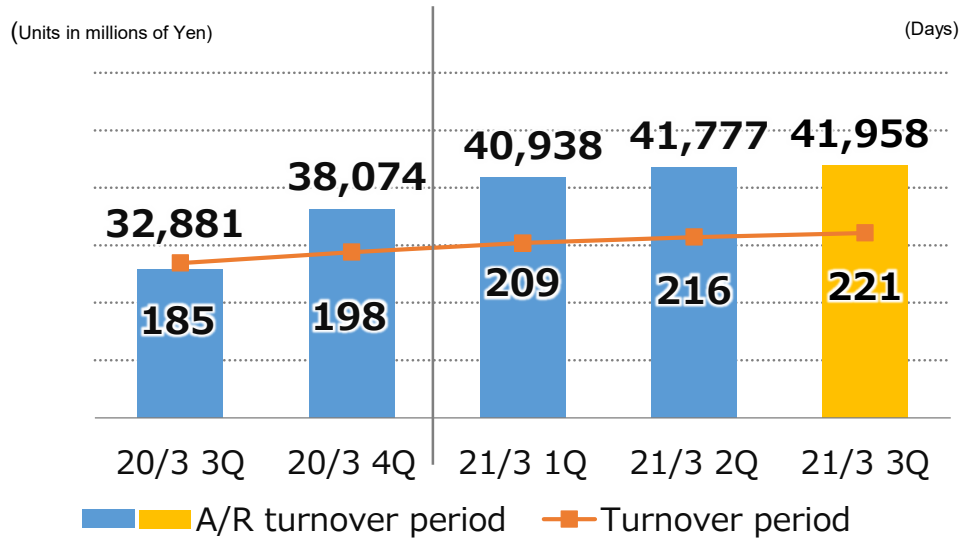


(Units in millions of Yen)

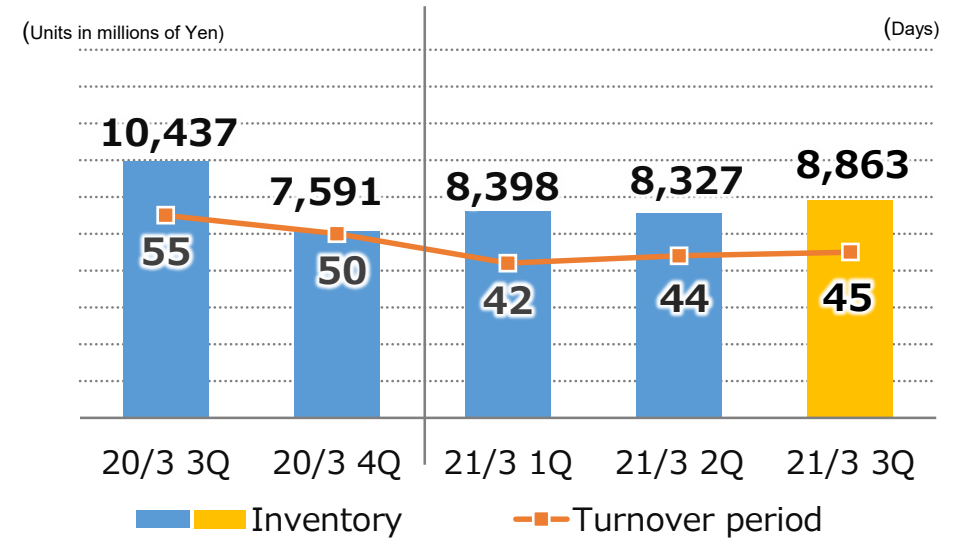


### III. Key Financial KPIs/Indicators

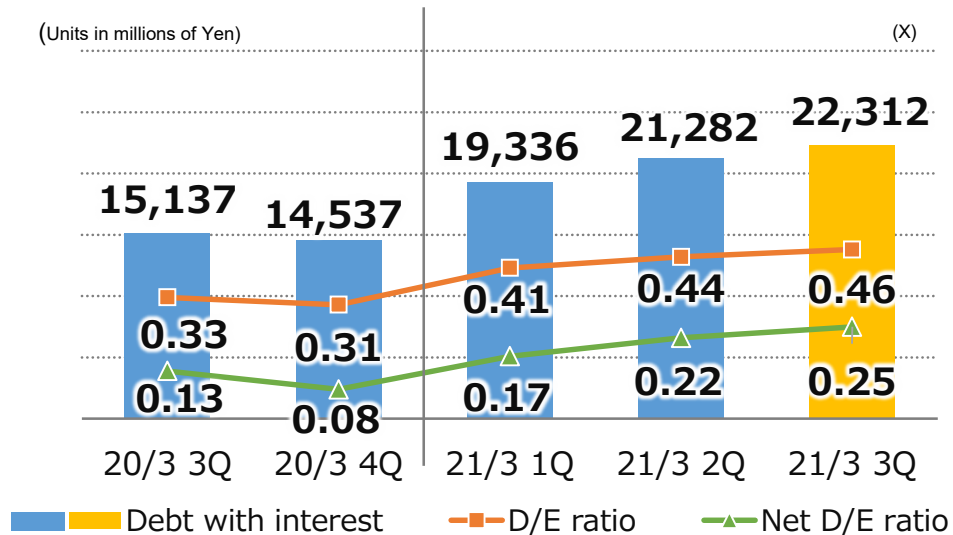
#### Account Receivables/Turnover period



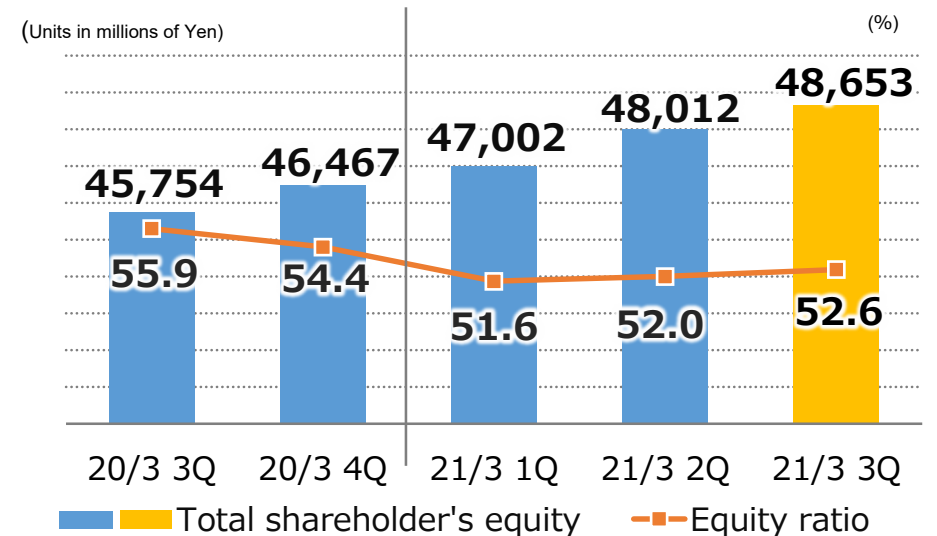
#### Inventory/Turnover period



#### Debt with interest/Debt equity ratio/Net debt equity ratio



#### Total shareholder's equity/Equity ratio



Note) Accounts receivable turnover period and Inventory turnover period list its average number of each quarter.

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